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Job Displacement and the Rural Worker

Michael Podgursky

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Michael Podgursky

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Michael Podgursky is Associate Professor of Economics at the University of Massachusetts, at Amherst. He has published articles on the labor market experience of displaced workers in a variety of academic journals.

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Table of Contents

Introduction 1

The Displaced Worker Survey 3

The Extent of Urban and Rural Displacement 3

Characteristics of Displaced Workers 3

Unemployment Following Displacement 5

Earnings and Benefit Loss 8

Multivariate Analysis of Economic Losses 11

Conclusions 12

Appendix 13

Endnotes 18

Bibliography 19

Introduction

In the 1970s, rural areas enjoyed economic growth and vitality. Structural change and economic dislocation, however, have been the dominant economic forces in rural life in the 1980s. Over the last few decades, the rural economy has become more dependent on manufacturing and services, and less dependent on natural resource-based industries such as agriculture and mining (U.S. Department of Agriculture, 1987). As a result, rural workers have become more vulnerable to the recent rapid shifts in trade and technology that have led to widespread job loss during both expansion and recession years in the 1980s. A wealth of research has shown that many workers suffer large economic losses as a result of displacement (Mishel and Podgursky, 1988; Ruhm, 1987).[1] This report examines the extent of permanent job loss in rural areas and the associated economic losses (particularly long periods of joblessness and the shift to lower paying jobs).

Rural workers have become more vulnerable to the recent rapid shifts in trade and technology that have led to widespread job loss....Many workers suffer large economic losses as a result of displacement.

Why should we expect a different rural experience? Any individual job seeker will fare better if he or she has more potential employers to contact. Since the pool of potential employers is larger in an urban labor market, a laid off urban job seeker should fare better than an equivalent rural worker. Moreover, the benefit of a large urban labor market may be even greater in a *mass layoff* situation. A mass layoff in a small labor market will put large numbers of displaced workers in competition with one another for whatever vacancies exist. This "congestion effect" will be smaller and perhaps negligible in a large urban market with a large volume of continuous labor turnover.

Earnings and employment prospects for rural workers have diminished in the 1980s....Displaced rural workers can be expected to experience more labor market difficulties than similar urban workers.

Structural employment problems in rural labor markets provide another reason to expect that rural displaced workers would fare worse than urban workers following displacement. Various studies suggest that earnings and employment prospects for rural workers have diminished in the 1980s. If so, then displaced rural workers can be expected to experience more labor market difficulties than similar urban workers. McGranahan (1988) and Bloomquist (1988), for example, show that manufacturing industries which concentrate in rural areas tend to involve low-skill production jobs while more skilled "complex" manufacturing gravitates toward urban areas. McGranahan identifies this as a source of rural difficulties since employment has declined in the type of production industries and jobs which tend to locate in rural areas.

Majchrowicz and Ghelfi (1988) document another problem in rural areas: rural employment and earnings growth

has lagged behind employment and earnings growth in metropolitan areas. For example, earnings per worker in rural areas grew nearly one percent slower per year than annual inflation from 1979 to 1986. Thus, the purchasing power of rural wages has dropped seven percent in recent years. This erosion of rural workers' earning power has occurred in each area of the country and in almost every industry sector, including services. In contrast, earnings growth in metropolitan areas matched inflation.

Rural workers have been more likely to lose their jobs than urban workers.... [and] the personal economic losses of rural workers following displacement are significantly larger than those of urban workers.

An analysis of the available data confirms that rural workers displaced from their jobs have had a more difficult adjustment experience:

- Rural workers have been more likely to lose their jobs than urban workers. Between 1981 and 1984 approximately 6.3 million workers were displaced from full-time wage and salary jobs. Of these, 1.6 million, or 26 percent, resided in rural (nonmetropolitan) areas, higher than the rural share of total employment (21 percent).

- The personal economic losses of rural workers following displacement are significantly larger than those of urban workers. Rural workers were reemployed in jobs paying 12 percent less than they were being paid in their former jobs, a loss double that of displaced workers in large urban areas. Even after adjusting for differences in worker characteristics, displaced rural workers experienced earnings reductions much larger than comparable urban workers. In addition, rural displaced workers are also more likely to lose health insurance coverage following displacement.

Rural workers also experience greater joblessness following displacement. Rural [displaced] workers...were out of work for 24 weeks while workers displaced in large urban areas were without work for 16 weeks.

- Rural workers also experience greater joblessness following displacement. Rural workers displaced between 1981 and 1984 were out of work for 24 weeks while workers displaced in large urban areas were without work for 16 weeks. A statistical analysis shows that rural workers are jobless from 2 to 43 percent longer than comparable workers in urban markets.

- Rural displaced workers tend to have less formal education than do urban displaced workers. Rural displaced workers include relatively fewer women, blacks, or Hispanics.

The Displaced Worker Survey

This report examines the adjustment experience of urban and rural displaced workers using the Bureau of Labor Statistics' Displaced Worker Survey (January 1986). This survey was specifically designed to identify workers who were permanently displaced from jobs due to plant shutdowns or other permanent layoffs.[2] For this study, the focus is on workers between the ages of 20 and 61 in January 1986 who lost full-time jobs between 1981 and 1984. An "urban" worker is defined as a worker who resides in a Metropolitan Statistical Area (MSA), as designated by the Census Bureau. MSAs range in size from 50,000 up to several million, and may include two or more cities and surrounding suburbs and communities. A "rural" worker is a worker who does not reside in an MSA. In this report "rural" and "nonmetropolitan" are used interchangeably. Details regarding the Displaced Worker Survey (DWS) and sampling procedures utilized are provided in the appendix to this report.

Permanent job loss due to plant closings and mass layoffs has been proportionately higher in rural labor markets.

The Extent of Urban and Rural Displacement

Table 1 presents data which allow the prevalence of job displacement in rural and urban areas to be assessed. There were 6.3 million workers displaced from their jobs between 1981 and 1984 (row 11). Of these, 26 percent resided in rural areas in January 1986. By comparison, average monthly employment in 1986 was 109.8 million, with 86.5 million (78.8 percent) in metropolitan and 23.1 million (21.1 percent) in nonmetropolitan rural labor markets (U.S. Department of Labor, 1987: Table 57). This suggests that permanent job loss due to plant closings and mass layoffs has been proportionately higher in rural labor markets.

Rural workers tend to be more heavily concentrated in manufacturing jobs and in less-skilled blue-collar occupations.

Characteristics of Displaced Workers

Demographic and economic characteristics of displaced workers are of interest because they are associated with differing levels of economic losses following a job loss (Table 1).[3] For example, better-educated workers generally fare better following displacement. On the other hand, manufacturing workers generally experience larger economic losses.

While the average age of displaced workers does not differ significantly between rural and urban labor markets, all of the other demographic characteristics do. Rural displaced workers on average have less formal schooling, are more likely to be male, and are much less likely to be black or Hispanic than urban workers. Rural workers had far lower

TABLE 1

Average Characteristics of Urban and Rural Displaced Workers*

Characteristic		Total	Rural	Urban	
				Small	Large
(1)	Age (yrs.)	36.3	36.3	36.1	36.4
		(.17)	(.32)	(.44)	(.23)
(2)	Education (yrs.)	12.4	11.9	12.3	12.7
		(.04)	(.07)	(.09)	(.06)
(3)	Male (%)	65.3	66.3	65.7	64.7
		(.78)	(1.4)	(1.9)	(1.1)
(4)	Black (%)	11.5	7.1	10.6	13.8
		(.52)	(.76)	(1.3)	(.77)
(5)	Hispanic (%)	6.6	2.7	3.5	9.0
		(.41)	(.49)	(.75)	(.64)
(6)	Former Weekly Earnings ($)	337	299	317	360
		(3.5)	(5.9)	(8.7)	(5.1)
(7)	Manufacturing (%)	39.6	41.8	38.8	38.7
		(.6)	(1.5)	(2.0)	(1.1)
(8)	Low Skill** (%)	34.7	40.3	40.4	30.8
		(.6)	(1.5)	(2.0)	(1.0)
(9)	Low Skill*** (%)	35.5	42.1	41.7	30.9
		(.6)	(1.5)	(2.0)	(1.0)
(10)	Sample Size	3,744	1,120	601	2,023
(11)	Weighted U.S. Total in thousands****	6,296	1,637	970	3,689
	(% of total)	(100.0)	(26.0)	(15.4)	(58.6)

* Workers aged 20-61 in January 1986 displaced from full-time jobs between 1981 and 1984. "Rural" refers to a worker not residing in a Metropolitan Statistical Area (MSA). "Small" and "Large" denote MSAs with a population of 100,000 to 500,000 and larger than 500,000, respectively. Estimated standard errors in parentheses.

** Proportion of workers whose former occupation was operator, fabricator, or laborer.

*** Proportion of workers whose former occupation was operator, fabricator, laborer, or farm worker.

**** Estimated using sampling weights provided by the Bureau of the Census.

weekly earnings on their former job, $61 or 17 percent less, than did workers in large urban areas. Rural workers also tend to be more heavily concentrated in manufacturing jobs and in less-skilled blue-collar occupations. The data in Table 1 show that there are, in fact, differences between rural and urban displaced workers.

Unemployment Following Displacement

Before examining the post-displacement experience of these workers, we first examine the extent to which rural and urban workers had advance knowledge of their layoff. In the DWS, respondents were asked a rather general question regarding whether or not they expected to be laid off ("Did [the worker] expect a layoff or had [the worker] received advance notice of a layoff or a plant or business closing?"). Table 2 reports the percentage of workers responding "yes" to this question. Roughly one-half of the DWS respondents had advance notice of or otherwise expected a layoff. This proportion does not differ significantly for urban and rural workers. Thus, differences in advance knowledge of layoff should not have created differences in the adjustment experiences of rural versus urban workers.

Roughly one-half of [displaced workers] had advance notice of or otherwise expected a layoff.

TABLE 2

Advance Knowledge of Layoff*

Residence	Percentage of Displaced Workers Receiving Advance Notice of or Who Expected a Layoff
Total	50.7 % (.8)
Rural or Nonmetropolitan	51.4 (1.5)
Small Urban	53.2 (2.0)
Large Urban	49.8 (1.1)

* Percentage responding "yes" to the following question: "Did [the worker] expect a layoff or had [the worker] received advance notice of a layoff or a plant or business closing?" For sample description and definitions, see Table 1. Estimated standard errors in parentheses.

Judged by medians, workers displaced in rural areas experienced periods without work nearly two-thirds longer than workers displaced in large urban areas.

How long are urban and rural workers without work following displacement? The DWS provides information on the number of weeks workers were jobless and available for work following displacement.[4] While many displaced workers find jobs relatively quickly, a large group experiences very long spells of joblessness following displacement (Table 3). For example, 43.8 percent of displaced workers had 12 or fewer weeks of joblessness following displacement while 38.5 percent had 27 or more weeks (see column 1). The median duration of joblessness for these displaced workers was 18 weeks, or more than four months out of work (bottom row). As expected, rural workers are without work for a longer time than are urban workers after being permanently laid off. The share of displaced workers with long spells of joblessness (27+ weeks) was 43.9 percent in rural areas but 40.1 and 35.6 percent in small and large urban areas. Among rural workers, the median length of joblessness was 24.4 weeks, or nearly six months. In contrast, the median length of joblessness for small and urban workers was 18.3 and 15.8 weeks. Judged by medians, workers displaced in rural areas experienced periods without work nearly two-thirds longer than workers displaced in large urban areas.

TABLE 3

Duration of Joblessness Following Displacement*

	Total	Rural	Urban	
			Small	Large
Total	100.0%	100.0%	100.0%	100.0%
0 to 12 Weeks	43.8 (.8)	37.5 (1.5)	43.4 (2.1)	46.6 (1.1)
13 to 27 Weeks	17.8 (.6)	18.6 (1.2)	16.5 (1.5)	17.8 (.8)
27+ Weeks	38.5 (.8)	43.9 (1.5)	40.1 (2.0)	35.6 (1.1)
Median Weeks	18.0	24.4	18.3	15.8

* For sample description and definitions, see Table 1. Estimated standard errors in parentheses.

At the time they were surveyed, rural workers were more likely than urban workers to be unemployed or to have dropped out of the labor force (stopped looking for work). Again, the evidence shows rural workers having a more difficult adjustment to job loss. For example, displaced rural workers were much less likely to have been reemployed (Table 4). Overall, 77.2 percent of all displaced workers were employed on the survey date, with 11.1 percent unemployed and 11.6 percent out of the labor force (column 1). The implied unemployment rate among all displaced workers was 12.6 percent.[5] Among rural workers, however, only 72 percent were reemployed. Moreover, a much higher percentage of rural than urban workers were unemployed, 15 percent compared to roughly 10 percent. The result is a much higher rural unemployment rate (17.2 versus 10.9 percent for large urban areas).

[Displaced] rural workers were more likely than urban workers to be unemployed or to have dropped out of the labor force (stopped looking for work).

TABLE 4

Labor Force Status of Displaced Workers*

Labor Force (LF) Status	Total	Rural	Urban	
			Small	Large
Total	100.0%	100.0%	100.0%	100.0%
Employed	77.2	72.1	78.8	79.1
	(.7)	(1.3)	(1.7)	(1.7)
Unemployed	11.1	15.0	9.9	9.7
	(.5)	(1.1)	(1.2)	(1.2)
Not in LF	11.6	12.9	11.2	11.2
	(.5)	(1.0)	(1.3)	(1.3)
Unemployed Rate	12.6	17.2	11.2	10.9

* Labor Force Status in January 1986. For sample description and definitions, see Table 1. Estimated standard errors in parentheses.

This comparatively higher unemployment rate for nonmetropolitan displaced workers mirrors the higher unemployment of the rural workforce as a whole. In 1986, the average monthly unemployment rate for adults was roughly one-fourth higher in nonmetropolitan areas than in metropolitan areas (Table 5).

TABLE 5

Metropolitan and Nonmetropolitan Unemployment Rates

	Civilian Unemployment Rate	
	1986	1987
Metropolitan		
Total	6.6%	5.9%
Male 20+	5.8	5.2
Female 20+	5.9	5.2
Teen 16–19	18.0	16.1
Nonmetropolitan		
Total	8.3	7.2
Male 20+	7.2	6.2
Female 20+	7.7	6.3
Teen 16–19	19.4	19.6

Source: Bureau of Labor Statistics. *Employment and Earnings* Table 57, January 1988.

Rural workers...were 50 percent more likely to experience severe loss of earnings [following displacement]—a more than 25 percent cut in earnings.

Earnings and Benefit Loss

How do the earnings on new jobs compare with those on the old job when displaced workers are reemployed? This can be determined by examining the ratio of current to former weekly earnings for workers reemployed at the time of the survey.[6] A displaced worker is considered to have experienced an "earnings loss" if his or her current earnings are lower than his or her earnings on the previous job. Many workers suffer no loss of earnings as a result of displacement (Table 6): 40 percent were reemployed at the same or better pay (a ratio greater than 100). At the same time, however, 32.6 percent earned less than three-quarters of their former earnings, and 13.6 percent earned less than one-half their former rate of pay. Again, rural workers appear to have a more difficult adjustment to job loss. Displaced rural workers, for example, were 50 percent more likely to experience

severe loss of earnings—a more than 25 percent cut in earnings—than workers in large urban areas (17.5 versus 11.7). The median earnings loss among displaced rural workers was 12.3 percent, more than twice as much as the 5.2 percent median earnings loss among workers in large urban areas.

TABLE 6

Earnings Losses of Displaced Workers*

Percentage Earnings Loss**	Total	Rural	Urban	
			Small	Large
Total	100.0%	100.0%	100.0%	100.0%
No Loss	40.0	33.4	34.8	44.0
	(1.0)	(1.9)	(2.4)	(2.5)
0 to 25	27.5	29.5	27.8	26.6
	(.9)	(1.8)	(2.3)	(2.2)
25 to 50	19.0	19.6	22.5	17.8
	(.8)	(1.6)	(2.1)	(1.9)
50+	13.6	17.5	15.0	11.7
	(.7)	(1.5)	(1.8)	(1.6)
Median Earnings Loss	7.9	12.3	14.7	5.2

* For sample description and definitions, see Table 1. Estimated standard errors in parentheses. Former earnings adjusted by changes in the wage and salary component of the BLS Employment Cost Index to reflect wages currently on that job.

** The percentage by which current earnings are less than earnings on the job from which the worker was displaced.

Displaced workers also face the high risk of losing an important employment-related fringe benefit—group health insurance.

Displaced workers also face the high risk of losing an important employment-related fringe benefit—group health insurance. Most Americans covered by private medical insurance obtain it as a fringe benefit of their job or the job of another family member. When the job is terminated, however, this benefit quickly terminates as well—usually within 30 to 60 days after the layoff. Concern with this problem led to federal legislation allowing workers to participate in their former group health insurance plan for a limited time at their own expense. Two states (Massachusetts and Connecticut) enacted legislation mandating extension of employer-paid

benefits for up to four months following layoff (Podgursky and Swaim, 1987).

Only 65 percent of the workers displaced in rural areas obtained new health insurance coverage.

Many displaced workers lose health insurance coverage following displacement. As Table 7 shows, only 70.3 percent of the displaced workers formerly covered by a group health insurance plan on their old job were covered by *any* (employer-related or other) group policy in January 1986. Only 65 percent of the workers displaced in rural areas obtained new health insurance coverage, far less than the 73.5 percent of urban workers who maintained coverage. One reason for the low coverage rates among displaced workers, particularly rural workers, is that many were not reemployed. However, this is not the main reason for the loss of coverage. Even when one looks only at health insurance coverage rates for those workers who were reemployed (row 2), one finds that more than one-fifth lost their coverage. Once again, rural workers fare worse than workers in large urban labor markets—even reemployed rural workers are more likely to lose this benefit. This may reflect the fact that rural jobs generally provide fewer fringe benefits such as health insurance (Marshall, 1974; Jensen, 1982). As a result, rural workers who lose jobs which do provide health insurance are less likely to find new employment with health care coverage.

TABLE 7

Job Displacement and Health Insurance Coverage*

January 1986
Group Health Insurance Coverage

	Total	Rural	Urban	
			Small	Large
Total	70.3%	65.0%	66.5%	73.5%
	(.9)	(1.8)	(2.3)	(1.2)
Reemployed	78.5	74.0	73.2	81.2
	(.9)	(1.9)	(2.5)	(1.2)

* Displaced workers formerly covered by health insurance on their old job. For further sample description, see Table 1. Estimated standard errors in parentheses.

Multivariate Analysis of Economic Losses

The statistics in Tables 1-7 suggest that nonmetropolitan, or rural, workers fare worse than urban workers following displacement. One might ask, however, whether this is primarily due to the demographic characteristics of these workers or to their location. Table 1 demonstrates, for example, that rural workers tend to have somewhat lower educational attainment than do urban workers. They are also more likely to be white, male, and non-Hispanic. To what extent do these demographic differences explain urban-rural differences in displacement costs? Do demographically similar workers fare differently following displacement in rural and urban labor markets?

A multivariate statistical analysis of the data, which standardizes for differences in age, educational attainment, race, sex, Hispanic ethnicity, manufacturing employment, and former earnings (explained in greater detail in the appendix), yields the following findings:

- Most displaced workers experience an earning loss following their reemployment, meaning that the pay on their new job is less than that on their former job. However, displaced rural workers experience a proportionately greater drop in earnings when they become reemployed. Statistical analysis shows that, compared to urban workers, rural workers suffer an additional 15 to 20 percent loss of earnings on their new jobs relative to their old jobs.

Compared to urban workers, rural workers suffer an additional 15 to 20 percent loss of earnings on their new jobs relative to their old jobs.

- The length of an expected spell of joblessness following displacement is significantly *longer* for rural workers as compared to workers in small and large urban areas. Our estimate is that rural workers are jobless from 2 to 43 percent longer than comparable urban workers.

Joblessness following displacement is significantly longer for rural workers as compared to workers in small and large urban areas.

Conclusions

The findings in this study suggest that the thin labor markets and adverse structural changes noted by McGranahan (1988) and others have placed displaced rural workers at a particular disadvantage. Proportionately more rural workers lose their jobs and, following their job loss, rural workers experience a longer period without work. Moreover, compared to urban workers, the new jobs found by rural workers are likely to pay far less than did their previous job.

The new jobs found by rural workers are likely to pay far less than did their previous job.

To the extent that these large economic losses reflect diminished earnings prospects in rural areas, any policy response must be directed toward renewed earnings growth for rural employment. In addition, if dislocated worker adjustment is to be targeted to those in greatest need, then rural workers deserve special attention.

Appendix

The Displaced Worker Survey

In January 1986, all respondents from the roughly 60,000 households in the Current Population Survey (CPS) were asked whether they or any adult member of their household (i.e., aged 20 and older) had "lost or left a job since 1981 because of a plant closing, an employer going out of business, a layoff from which [the worker] was not recalled, or other similar reasons." An affirmative response triggered a series of supplemental questions concerning the nature of the lost job and the post-displacement labor market experience. These supplemental questions, which comprise the Displaced Worker Survey (DWS), augment the extensive demographic and labor force data in the basic monthly CPS. Using the Bureau of Labor Statistics' definition, a displaced worker is defined either as one who lost a job due to a plant shutdown, business failure, or business relocation, or as a worker whose employer remained in operation but who was permanently laid off due to slack work or whose job was otherwise eliminated.

In the analysis for this report, the sample was limited to workers between the ages of 20 and 61 who were displaced from full-time jobs. Workers 62 or older were excluded since these workers generally are eligible for Social Security retirement payments (and possibly private pensions as well). They thus face a different set of constraints or choices regarding the labor market than do younger workers. The focus of the study was on workers displaced from full-time jobs for reasons of necessity and choice. The DWS only provides information on usual weekly earnings and the full-time/part-time status of the worker's former job. By limiting our sample to full-time workers we thus control in a crude manner for hours of work on the old job. Since full-time workers have made a greater commitment to the labor market and, in general, make a larger contribution to the typical household's income than do part-time workers, we judge displacement of such workers to be of the greatest policy interest. Finally, the sample included only those workers who have been displaced from their previous job for a year or more; that is, workers who have had *at least* one full year to adapt to the loss of their former job by the time of the January 1986 survey.

Throughout this study the post-displacement experience of workers in rural labor markets is compared with those in small and large urban markets. The operational definition of "rural" worker is one who does not reside in a Metropolitan

Statistical Area (MSA) in January 1986. Urban workers are divided into two groups—those residing in an MSA with a 1980 population between 100,000 and 500,000, designated as "small urban," and those residing in an MSA larger than 500,000, designated as "large urban." A very small number of workers (roughly three percent of the sample) whose location is suppressed for reasons of confidentiality by the Census Bureau were excluded from the study.

Before proceeding further, two caveats are in order regarding the rural-urban classification. First, workers are classified on the basis of residence and not on where they work. It is possible that some workers classified as "rural" commute to the urban labor markets to work (and vice versa). The CPS unfortunately provides no information on work location. A second caveat concerns migration following displacement. Roughly one-fifth of the displaced worker sample moved to a new city or town following displacement. (The following percentages of workers reported that they moved to a new city or county following displacement: rural, 21.5 percent; small urban, 23.4 percent; large urban, 21.0 percent. Note that the rural-urban classification is based on the worker's location on the survey date and not at the time of displacement.) Thus, it is likely that some workers now classified as "urban" were "rural" at the time of displacement (and vice versa). Random misclassification of this sort will bias the urban-rural loss gap toward zero. If rural-to-urban migration predominates and rural losses are larger, the estimate of the urban-rural loss gap will be *biased downward*. In such a case, however, nominal earnings losses will overstate real earnings losses for rural-to-urban migrants (and vice versa for urban-to-rural migrants) since the cost of living is generally lower for rural workers.

Multivariate Analysis of Jobless Duration and Earnings Loss

In Appendix Table 1 we report multivariate statistical estimates of the effect of rural-urban location on short-term displacement losses (duration of joblessness) and long-term losses (the natural log of the ratio of current to former weekly earnings). These multivariate estimates are the basis for statements in the text that even after controlling for demographic and other differences, rural displaced workers fare worse.

First consider jobless duration. The second column of the table reports the estimated coefficients of a Weibull regression model. The Weibull regression model, sometimes called a "survivor" model, is specifically designed to analyze phe-

APPENDIX TABLE 1

Multivariate Analysis of Jobless Duration and Earnings Loss
(t-statistics in parentheses)

	Dependent Variable			
	Jobless Duration[a]		Ratio of Current to Former Earnings[b]	
Variable	$\bar{X}$	$\hat{\beta}$	$\bar{X}$	$\hat{\beta}$
Constant	—	4.732** (11.70)	—	1.958** (15.69)
Rho	—	.635** (50.64)	—	—
Log (Former Earnings)	5.82	-.012 (-1.67)	5.83	-.491** (21.16)
Age (yrs.)	36.4	.031** (8.34)	35.8	-.001 (-.94)
Education (yrs.)	12.5	-.098** (-5.55)	12.7	.042** (8.29)
Black[c]	.099	.700** (5.15)	.096	-.183** (-5.06)
Male[c]	.635	-.444** (-5.05)	.673	.235** (9.46)
Hispanic[c]	.046	- .064 (-.34)	.043	-.048 (-.92)
White Collar[c]	.420	- .267** (-2.97)	.451	.040 (1.60)
Manufacturing[c]	.474	.261** (3.26)	.457	-.027 (-1.22)
Agriculture[c]	.019	- .581* (-2.19)	.021	-.006 (- .09)
Rural[c]	.295	omitted	.294	omitted
Small Urban[c]	.158	-.231* (-1.98)	.164	.054 (1.66)
Large Urban[c]	.548	-.189* (-2.22)	.570	.161** (6.39)
Adj. R^2	—	—	.190	—
Sample Size	2,309	2,309	2,330	2,330

a. Maximum-likelihood estimates of an exact discrete Weibull survivor model. For a description of this model see Swaim and Podgursky (1988). These coefficients indicate the approximate proportionate change in expected weeks of joblessness for any worker given a unit change in the independent variable.

b. Ordinary Least Squares estimates. Dependent Variable = Log (Current Weekly Earnings/Trend-Adjusted Former Weekly Earnings)

c. Dichotomous (0-1) variable where 1=yes (e.g., Male=1 if the worker is male, 0 if female).

* Significant at five percent. ** Significant at one percent.

nomenon measured over time (e.g., lifetimes, unemployment duration, strike duration. For a further description of the Weibull model see Podgursky and Swaim, 1987a). The interpretation of the coefficients is straightforward: they indicate the approximate proportionate effect of a unit change in the independent variable on the expected average length of joblessness. A negative sign thus indicates a shorter spell, and a positive sign a longer spell.

The coefficients of interest for this study are at the bottom of Appendix Table 1. We have coded three dummy or 0-1 variables to indicate residence. Since "rural" is omitted from the model, the interpretation of the remaining two dummy variables is the difference between rural and small or large urban workers, holding other characteristics of the workers constant. Asterisks indicate statistical significance. We see that workers in small and large urban areas have significantly shorter spells of joblessness than do rural workers. Unfortunately, the relatively low values of the t-ratios imply that the point estimates of the true effect are imprecise. A 95 percent confidence interval on the large urban coefficient, for example, would imply that workers in rural labor markets have jobless spells from 2 to 43 percent longer than similar workers in urban markets.

The last column of Appendix Table 1 reports the Ordinary Least Squares (OLS) coefficients of a model of earnings loss for workers reemployed at the time of the survey in January 1986. The dependent variable is the natural log of the ratio of current to adjusted former earnings. Since workers were displaced at different dates over the interval from 1981 to 1984, their reported former earnings have been inflated to January 1986 levels using published data from the wage and salary component of the Employment Cost Index. The purpose of this is to roughly approximate what the workers' wages would have been in January 1986 had they not been laid off. These coefficients give the approximate proportionate effect of a unit change in the independent variable on the ratio of current to former earnings. A positive sign indicates a higher ratio and thus a smaller loss. A negative coefficient indicates a larger loss.

As in the previous table, the most relevant coefficients are at the bottom of the table. Once again, "rural" is the omitted dummy, hence, the comparison is between small or large urban and rural workers. Both dummy variables take their expected positive sign, but once again, only the large urban dummy is statistically significant. Its magnitude suggests that workers in large urban areas are reemployed at a weekly wage which is a considerably higher fraction of their former earnings as compared to rural workers. A 95 percent confidence interval on the large urban coefficient implies that the

mean ratio of current to former earnings for displaced workers in large urban markets is from 15 to 20 percent higher than that of similar rural workers.

Endnotes

1. These losses are larger for certain demographic groups (blacks, women, older workers) and for workers with less formal schooling or in less-skilled blue-collar occupations (Podgursky and Swaim, 1987a,b; Kruse, 1988). Limited data on whether workers had prior knowledge of displacement strongly suggest that workers with advance notice suffer smaller losses (Addison and Portugal, 1987; Ehrenberg and Jakubson, 1988; Swaim and Podgursky, 1989). Howland and Peterson (1988) explore the effect of labor market conditions on the economic cost of displacement for manufacturing workers in larger MSAs.

2. For a further description of the Displaced Worker Survey, see Horvath (1987).

3. Let $\overline{X}_u$ and $\overline{X}_r$ denote the sample means of a random variable describing displaced workers (e.g., age, education), and let s_u and s_r denote the standard errors of these means. To test whether the *difference* between $\overline{X}_u$ and $\overline{X}_r$ is statistically significant, compute the following statistic:

   $$(\overline{X}_u - \overline{X}_r) \; / \; \sqrt{s_u^2 + s_r^2}$$

   If this statistic is larger in absolute value than two, the gap is statistically significant. Under each mean we report the estimated standard error of the mean. This is used to judge whether the urban-rural differences are statistically significant.

4. Unlike the familiar measure of unemployment duration in the monthly CPS, the DWS question does not specifically refer to active job search. Thus, a reported spell of joblessness may include one or more periods of suspended job search and labor force withdrawal. Econometric studies have shown, however, that the distinction between "unemployed" and "out of the labor force" is problematic for workers with long and recurrent spells of unemployment (Clark and Summers, 1979). Thus, the DWS measure of jobless duration is arguably a better indicator of reemployment difficulties for displaced workers. In order to emphasize this difference, however, we consistently refer to our measure as *jobless* rather than *unemployment* duration.

5. Calculated as [11.1/(77.2+11.1)]x100.

6. Because up to five years may have passed since displacement, in computing this ratio we have inflated the worker's former earnings using an index based on the worker's former occupation, sector of employment (government versus private), and year of displacement using the wage and salary component of the Employment Cost Index published by the Bureau of Labor Statistics. The purpose of this exercise is to approximate what the worker would have been earning in January 1986 had he or she remained at the former job.

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EDUCATION WEEK

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2 States' Voters Will Decide Fate Of Tax Increases

Michigan, Washington School Funds at Issue

By Michael Newman

In a "no new taxes" political climate, voters in two states will be asked next week to decide whether large-scale education-reform and children's initiatives are worth the price of added sales taxes.

In Michigan, where legislative action on school reform has been put on hold until questions of funding equity have been settled, voters will face two ballot referenda—each with a different sales-tax equation—that could add new funds to the education coffers.

And in Washington State, the fate of a massive "Children's Initiative" will depend on voter disposition toward a tax-increase plan that would raise an estimated $360 million for a wide range of services for children.

Campaigns in both states have been contentious, producing divisions among educators, controversial advertising, and, in one instance, accusations of dishonesty. And supporters of the ballot initiatives concede that winning voter approval will not be easy.

"It appears at best to be a tossup," said Ronn Robinson, education adviser to Gov. W. Booth Gardner of Washington.

State Senator Dan L. DeGrow of Michigan said that low voter turnout and effective campaign tactics against that state's two initiatives may make it "difficult for both proposals" to garner enough support for approval.

Even though the second of Michigan's ballot proposals would provide property-tax relief, supporters agreed that sales-tax increases in any guise are no easy item to sell.

Referenda on education issues will also appear on Texas and Maine ballots next Tuesday, but they are attracting far less interest than those in Michigan and Washington.

Continued on Page 17

L.A. School Embraces a West German Import

Team Approach Is at Heart of Cologne Model

By Debra Viadero

Los Angeles—Wedged into a neighborhood of modest bungalow houses and auto-parts shops, D.W. Griffith Junior High School hardly seems the setting for an international experiment in education.

But four teachers here have imported a West German idea for restructuring education and are working hard to apply it to their own, predominantly Hispanic classrooms. And teachers in at least half a dozen other schools around the country, just beginning similar experiments, will be watching closely to see how they fare.

The concept at the heart of these projects is what is known in West Germany as the "team/small-group model." Though the idea is rooted in that country's own school-reform movement of the 1960's, its elements are reminiscent of education-reform ideas currently gaining popularity in the United States: shared decisionmaking and greater autonomy for teachers and the creation of smaller, more personal school environments.

More than 20 West German schools have adopted the concept and more have incorporated features of it. But the showpiece school, those familiar with the approach agree, is the Köln-Holweide School in Cologne—one of two schools where the idea originated more than 20 years ago.

The formula, its supporters say, is simple: Teachers at Köln-Holweide are divided into small, relatively autonomous teams, with each team responsible for one group of students. The teams stay

Continued on Page 10

Debra Viadero/Education Week

Day Higuchi brought the reform concept to his East Los Angeles school.

School-Restructuring Efforts Forcing Principals To Redefine Their Roles

By Ann Bradley

Phoenix—Robert J. Holzmiller, principal of Hopi Elementary School in Scottsdale, Ariz., is not ashamed to admit that his school's foray into site-based decisionmaking this fall has left him feeling scared.

The district has provided few guidelines on how teams in its five pilot schools are to go about the process of changing school governance, he said.

In the absence of such advice, Mr. Holzmiller has decided to try to involve parents, teachers, other staff members, and students in decisions he previously might have made by himself.

"Everything I get, I channel to a committee," Mr. Holzmiller said. "I don't know if that's right or wrong."

Mr. Holzmiller is not alone in his feelings of uncertainty. The growing movement to restructure schools through participatory decisionmaking is challenging the traditional definitions of the principalship—and of central-office leadership.

As teachers, parents, and even students take on added responsibility, principals across the nation are seeking to redefine their roles and their relationships with others in their schools and districts.

But that task is complicated, principals and others agree, by a lack of agreement among educators about what constitutes "school-based management." And the problem is exacerbated, in some cases, by a feeling among principals that teachers are pushing too hard and too fast to increase their decisionmaking authority.

"People started by focusing on teachers, and the notion was restructuring and teacher involvement," said Stephen Mitchell, vice president of Organizational Analysis and Practice, an educational consulting

Continued on Page 12

'Trust' Lands Center Of 2 Controversies Over School Funding

By Reagan Walker

Two seemingly disparate state actions in recent months have underscored efforts to ensure that the public schools receive their full share of a legacy originally bequeathed them by Thomas Jefferson and the Continental Congress.

In Mississippi, the state's highest court ruled last month that the school district in the small county seat of Forest had the right to earn income from downtown property that was essentially being rented out for free.

And Utah officials created a storm of controversy this summer by suggesting that money be raised for their hard-pressed schools by allowing souvenir shops and tourist cabins to be built on state-owned land within national parks.

Both steps were directed at a continuing financial sore point in a number of Southern and Western states—the lack of adequate income from "school trust" lands, which were set aside by the federal government when the states were created specifically to raise funds for public schools.

Of the 27 states that originally held school-trust lands, 15 still hold more than 500,000 acres each.

Some states have managed their school-trust lands to provide a steady flow of money for education. But in others, many districts receive virtually nothing for the land because of mismanagement of leases or the scattering of tracts in areas with restrictions on land use.

In Mississippi, for example, many districts earn as little as 1 cent per acre from land leases that were negotiated decades ago for 99 years.

And in Utah, much of the school-trust land is pocketed in national parks and forests, severely limiting any revenue-produc-

Continued on Page 18

Known for Choice, New York's District 4 Offers a Complex Tale for Urban Reformers

By William Snider

New York City—The U.S. Education Department's selection of Community School District 4 as the host of its first regional meeting on choice was only the latest in a long series of honors and accolades the New York City district has received.

Touted as a model for urban-education reform in numerous national, state, and local reports, District 4 has achieved remarkable results with students drawn mostly from a neighborhood as drug-ridden and poverty-stricken as any in the city.

Last month's choice meeting in East Harlem cemented District 4 at the center of the Bush Administration's efforts to persuade educators and policymakers to adopt parental choice as the "cornerstone" of a restructured system of public education.

"You have made dramatic improvements in your educational programs through choice," Secretary of Education Lauro F. Cavazos told the community last month. "You have demonstrated that it can work. Let us work with you to carry that message across the nation."

But to say that parental choice is the foundation of District 4's success oversimplifies, and perhaps misrepresents, the district's innovative reform efforts, according to several current and former district administrators.

"I get worried when I see people jumping onto the choice bandwagon without under-

Continued on Page 13

Also in the news

5 Junior-R.O.T.C. Dispute
Is military training unsuitable for a high school named after Dr. Martin Luther King Jr.?

14 Mabus Plan
Mississippi's governor unveils a half-billion-dollar package of reforms.

Rogelio V. Solis

19 Letters to O.E.R.I.
Hundreds have written to protest the closing of two "school level" research centers.

IN SUMMARY

Corruption Probe Unfolds
A community school board in New York City has become the third to be suspended in the past year, following testimony that board members hired dozens of friends for unnecessary jobs. **Page 5.**

The 'Social-Health' Index
The well-being of children and youths in the United States has declined significantly over the past 18 years, and child abuse and teenage suicide are at record highs, a new report asserts. **Page 7.**

Catholic Teachers Protest
Union teachers in the Catholic archdioceses of Boston and New York have picketed church officials and called in sick in recent weeks to protest the pace of contract negotiations. **Page 8.**

Gambling on Education?
A controversial plan for a state lottery figures prominently in a comprehensive $500-million education-reform package unveiled last week by Gov. Ray Mabus of Mississippi. **Page 14.**

High-Level Debate Over Testing
In Indiana, the Democratic governor and the Republican schools chief are sparring over the state's student-testing program and its role in evaluating school performance. **Page 15.**

Education on the Back Burner
Governors with strong opinions on education are leaving office in New Jersey and Virginia, but the candidates vying to succeed them are not talking much about school issues. **Page 16.**

Voc.-Ed. Funding
A bill that would revamp federal vocational-education spending has cleared a Senate subcommittee, but some senators have vowed to seek changes in major provisions of the bill. **Page 19.**

Books	24
Capital Update	22
Commentary	23 and 32
Events	26
Grants	26
Letters	25
Media	9
Marketplace	27
Teachers	6

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ACROSS THE NATION

NATIONAL

Teenage Pregnancy Cost Taxpayers $20 Billion in 1988, Report Says

Teenage pregnancy cost U.S. taxpayers nearly $20 billion in 1988, the Center for Population Options reports.

The study conducted by the private, Washington-based group examined the costs of three federal programs—Aid to Families with Dependent Children, Medicaid, and food stamps—for families in which the mother had her first child as a teenager. It said the cost of A.F.D.C. for such families was $10.07 billion in 1988; the cost of Medicaid, $6.53 billion; and the cost of food stamps, $3.23 billion.

It also found that the approximately 365,000 teenagers who gave birth for the first time in 1988 cost the federal government nearly $6 billion.

If the 1988 births had been delayed until the mother was at least age 20, the nation could have saved more than $2 billion, the group calculated.

■ **The U.P.S. Foundation, the charitable arm of the United Parcel Service, has awarded three national programs a total of $2.25 million to combat adult illiteracy.**

The New Chance Program of the Manpower Demonstration Research Corporation, which teaches basic skills to teenage mothers, will receive $750,000.

The foundation will grant $800,000 to U.S. BASICS, a nonprofit organization that will use the funds to establish 20 centers across the nation to provide instruction in English as a second language.

The third grant will go to the United Way to develop model community-based literacy programs. United Way will use the $700,000 to issue challenge grants to as many as six locations for developing such programs.

■ **The federal government, the private sector, labor unions, and educators need to band together to stem a "technical manpower crisis" facing the country,** a new report suggests.

The report by the Aerospace Education Foundation, draws heavily on previous reports on education, training, and demographic and workforce conditions.

To meet the shortfall of technical workers, the report calls on the federal government to expand support for education into all Cabinet departments—an idea discussed at President Bush's recent education summit.

The report calls on the private sector to continue business-education partnerships and to seek to influence state and federal education and training policy.

The recommendations also suggest that labor unions should become more involved in education and training programs.

The report, entitled "America's Next Crisis: The Shortfall in Technical Manpower," is available from the Aerospace Education Foundation, 1501 Lee Highway, Arlington, Va. 22209.

The Great 'Twinkie War'

A footrace scheduled for last Friday may—or may not—have been the final shot in the "Twinkie War" at Metamora (Ill.) High School.

When the school board eliminated so-called junk foods from the lunch program at the school this fall, more than half of the 500 cafeteria regulars launched a "brown-bag-it protest" to persuade administrators to restore Twinkies, Ho Ho's, and other such epicurean delights to the menu.

But rather than crumble in the face of an economic boycott, says Gregory A. Christi, the school's principal, administrators tried to impress upon protesters the benefits of good nutrition and physical fitness.

Before students could be swayed, however, their well-organized boycott of the $1.25-a-day school lunch caught the attention of a local radio station. The station not only asked listeners to weigh in on the controversy, but suggested to the St. Louis-based manufacturer of Twinkies that it provide its snack cakes free to the deprived students of Metamora High.

Not a company to miss such a baked-to-order public-relations opportunity, the Continental Baking Company agreed to send over a truckload of Twinkies, a bemused Mr. Christi notes.

But, says Mr. Christi, when a local apple grower stepped into the fray and offered to send over a truckload of fruit as an alternative to cupcakes, students came up with an idea they believe will demonstrate that a healthy diet supplemented with snack cakes, candy, and soda has no ill effects.

The students challenged Ken Maurer, the district's 43-year-old superintendent of schools, to a one-mile race, now being called the "Apple Cupcake Run." "We prefer not to think of the run as a competition," cautions Mr. Christi, "but rather as a cooperative effort to bring nutritional issues to the forefront. It's not the Twinkies against the Apple Heads."

Loel Barr

In accepting the challenge, Mr. Maurer told students that he would not race, only "run with them." Mr. Christi, conceding that there are some very fast runners in his school, says that, because he was scheduled to "work crowd control" at the race, he would not be donning his running shoes.

But regardless of who wins the good-natured nutrition competition, Metamora will not go back to its old ways. The school is not in business to make money from the state-supported lunch program, says Mr. Christi, and has no intention of relenting in its pursuit of good health.

—J.W.

STATES

Reports Call for Sweeping Changes In Vermont's Educational System

A governor's commission and an organization of business leaders in Vermont have issued separate reports calling for sweeping changes in the state's educational system.

Gov. Madeleine M. Kunin's Commission on Getting Ready to Work, established in 1988 to study how well the state's schools were preparing students for employment, recommended in a report issued last month that the state abandon its "general track," or non-college-preparatory curriculum.

The report, entitled "Target 2000," called the general-track curriculum "unfocused," "second-rate," and "a ticket to nowhere" for the 40 percent of the state's secondary stu-

DISTRICTS

Birmingham Drops Skills Test As Requirement for Promotion

The Birmingham Essential Skills Test will no longer be the key factor in determining whether students are held back in the Alabama city's schools, the school board has decided.

As part of an effort to raise standards for student performance, the district in 1985 required students in the 2nd through the 8th grades to pass the reading and mathematics test to be promoted to the next grade.

In practice, however, the test has become an "obstacle" that has blocked about 200 to 300 students each year from promotion even though they had passed all their courses, according to Cleveland Hammonds Jr., the district's superintendent of schools.

Under the new policy adopted last month, the district will consider grades, attendance, and teacher recommendations, as well as test scores, in deciding whether students should be promoted. In addition, Mr. Hammonds said, students who fail the essential-skills test will be required to attend summer school.

Critics on the board charged that the policy change suggests that the district is backing away from its standards for student achievement. But Mr. Hammonds denied that the policy would "reduce the so-called standards."

"The problem in this case is that the standards have been one-dimensional," he said. "They did not account for varying circumstances of students."

■ **A drug sale within 1,000 feet of school property violates federal law, no matter how far a schoolchild might have to walk to the site of the deal,** a federal appeals court has ruled.

Everton G. Watson was convicted last year of conspiring to sell marijuana within a drug-free school zone in Los Angeles. Although the sale was said to have taken place 960 feet from school property "as the crow flies," argued his lawyer, Michael Brush, it was "more than 1,000 feet by the way a person would walk."

But in a decision issued late last month, the U.S. Court of Appeals for the 9th Circuit rejected that argument. The stiff limits, the court ruled, fulfill the U.S. Congress's intent to curb the dangers to schoolchildren of drug trafficking.

■ **An all-white private school in Columbus, Miss., that refused to play a foot-**

dents who are enrolled in the track.

It also recommended that school be held year-round in two- to three-month blocks to aid retention and keep students from falling too far behind before receiving remediation.

In a separate report issued last month, the Vermont Business Roundtable, a group of 140 chief executives, recommended after a one-year study that the state implement choice and merit-pay programs to hold educators accountable for teaching certain basic skills.

Commissioner of Education Richard P. Mills said the state's school system needs to undergo a "massive overhaul" to meet the recommendations of the governor's commission.

However, Mr. Mills disagreed with the Roundtable's merit-pay and choice recommendations, saying that merit pay fails to account for the team-oriented nature of education and that choice may be ineffective in rural areas with transportation problems.

■ **Educational programs should be made available to every 3- to 5-year-old child in Wisconsin,** a new report by a statewide commission urges.

The recommendation is among a number of ambitious changes suggested by the Advisory Commission on Early Education, Child Care, and Family Involvement. The 36-member group, appointed in April by Herbert Grover, the state superintendent of public instruction, presented its findings in a report last month.

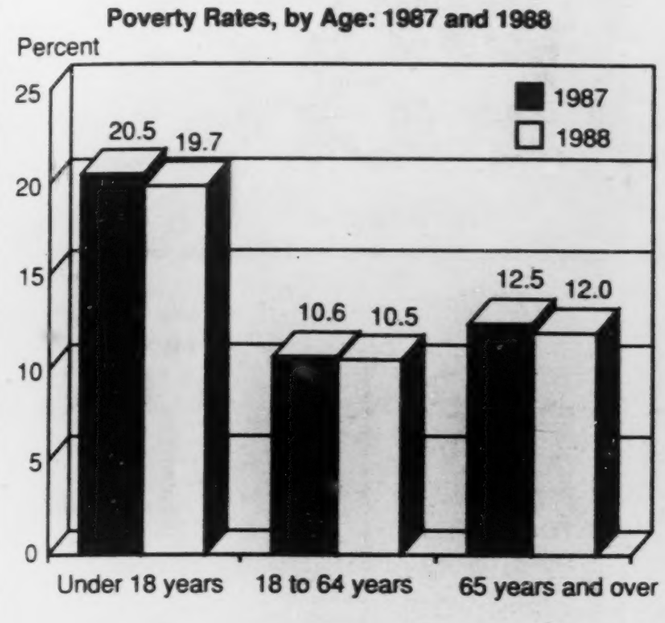
The group also recommended that before- and after-school child care be available to parents throughout the state. And it called for the establishment of information centers for parents in each school district.

A commission made up of representatives of the various state agencies involved would coordinate such efforts. At the local level, the group recommended, similar councils should determine what services are needed in their areas and which agencies could best provide them.

"The schools can't do it alone," said William Decker, the commission chairman. "And, with growing numbers of families with both parents working, we see a real need for this."

DIMENSIONS

Children in Poverty



Last year, half of the nation's poor were either children under age 18 or elderly people over age 65, according to the latest figures from the U.S. Census Bureau. The poverty rate for children continues, as it has since 1975, to be higher than that of any other age group. The poverty rate for all children under age 18 was 19.7 percent last year, down slightly from 1987's rate of 20.5 percent.

Over all, 32 million Americans were living below the federal guidelines for poverty last year, according to the bureau, even though the average per-capita income hit an all-time high of $13,120.

Ten years ago, only 24.5 million people, or 11.4 percent of the population, fell below the poverty guidelines, the report states.

Copies of "Money Income and Poverty Status in the United States: 1988" (advance report), Series P-60, No. 166, are available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

ball game against a private school with a black player reversed its decision after the Mississippi Private School Association threatened to revoke its accreditation.

The East Holmes Academy gave no official explanation for why it forfeited the game last month with Heritage Academy of Columbus, which has a black sophomore on its team—the first black player in the North Central Conference of Mississippi private schools.

However, seven players quit the East Holmes team to protest the school's decision to forfeit the game. And one player told reporters that the coach had cited the black player as the reason for the forfeit.

East Holmes officials changed their minds after the private-school association made its threat.

The game between the two schools was finally played Oct. 20, without incident. Heritage Academy won, 7-0.

■ **Teachers at a Burbank, Calif., high school staged a one-day walkout this month to protest the school board's decision not to expel a student accused of striking a teacher and making threatening comments.**

George Rosales, a teacher at John Burroughs High School, said he was attempting to break up a fight between two students when a third student hit him and threatened to kill him and another teacher.

After the board voted in a closed session not to back the school's recommendation to expel the student, about 60 teachers staged a demonstration outside the school, carrying signs with such slogans as, "Go on . . . Hit me! They won't do anything."

"In an increasingly hostile atmosphere in schools, teachers need to know what to do, and they need to know that they are being supported," Mr. Rosales said last week.

Audrey Hanson, a board member, declined to comment on the decision, saying that the board's discussion was confidential, but that its decision was final. "We believe that we considered all the facts of the situation," she said, "and we are strongly behind our decision."

■ **Principals in some Milwaukee elementary schools have been ordered to increase the sizes of their classes to accommodate large numbers of children who are moving into their neighborhoods.**

Until last month's order by district officials, principals could effectively "close" their schools to new students if enrolling those pupils would cause class sizes to swell beyond 25 for 1st-grade classes and more than 27 for the 2nd through 8th grades. Now, those classes may increase to 27 and 30, respectively.

The move has drawn criticism from the Milwaukee Teachers' Education Association, which claims that larger class sizes could affect the quality of education in Milwaukee schools.

■ **Prayers before school-board meetings and forced recitation of the pledge of allegiance in public schools violate the constitutional separation of church and state, a group of atheists in Hillsborough County, Fla., has charged.**

American Atheists of Tampa Bay filed suit Oct. 13 in U.S. District Court in Tampa Bay against the Hillsborough (Fla.) School District, seeking an end to the two practices. In particular, the group contends that the phrase "under God" in the pledge of allegiance, which schoolchildren are required by state law to recite each day, is unconstitutional.

The school board has previously denied a request from the group to suspend the practices. A lawyer for the district said school officials would file motions seeking that the suit be dismissed.

■ **Despite strong opposition from school officials, teachers, parents, and students, the Federal Bureau of Prisons is going ahead with plans to build a federal prison next to the New World School of the Arts in downtown Miami.**

Prison officials have planned a 1,000-bed jail on a recently purchased 1.09-acre parcel of land across from the U.S. courthouse and adjoining a lot onto which the performing-arts high school has plans to expand.

"It seems crazy to build [the prison] next to the school when there are still other options in downtown Miami," said Mandy Offerly, the school's principal. Proximity to the courthouse, however, is a factor because prison officials would like the facility to detain suspects awaiting trial.

Despite community opposition to the proposed site, Ms. Offerle said, "I fear that they will just move right along and put the prison in that spot." And if that is the case, warned the principal, "my school will not be next to it—it will either wither up and die or go elsewhere."

■ **Schools in White County, Ga., were among the first in the state to be integrated in 1966, but, until late last month, the school-bus routes remained segregated.**

When a white parent noticed the segregation and brought it to the county school board's attention, the board ordered the routes integrated. The board approved the desegregated bus routes Oct. 10, and they took effect Oct. 17. Before the changes took place, most of the district's black students rode on the same bus.

School officials in the county, a rural district in northern Georgia, said the segregated bus routes were an oversight.

"We just rearranged the bus routes to make the situation more equitable," said County Superintendent Raymond Collins.

UPDATE

■ **Some 3,700 students have transferred to new school districts in Minnesota in the first year of a two-year phase-in period for the state's highly touted open-enrollment program, state officials reported last month.**

The number represented a substantial increase over last year, when a total of 435 students successfully sought transfers under an earlier version of the program that did not mandate school-district participation.

Only districts enrolling 1,000 or more students were required to participate in the program this year, but all districts will be required to allow student transfers beginning in the 1990-91 school year. *(See Education Week, March 15, 1989.)*

Other choice programs operated by the state attracted almost 12,000 participants. Approximately 6,000 high-school juniors and seniors enrolled full or part time in post-secondary institutions, 4,000 students attended state-funded "area learning centers," and 1,800 students who had either dropped out or were considered severely at-risk enrolled in schools of their choice under the high-school graduation incentives program.

■ **The principal and football coach at Carter High School in Dallas, who have been leading figures in the long-running controversy over the "no-pass, no-play" rule in Texas, have been reassigned.**

The principal, Clarence C. Russeau, has been transferred to an administrative post in the school-district office.

Freddie James, the football coach, has been reassigned to the district athletic department pending a school investigation into allegations that he knowingly allowed an ineligible player to compete in interhigh games, according to a district spokesman.

Both Mr. Russeau and Mr. James were involved in last fall's battle between Carter High officials and Commissioner of Education William N. Kirby.

Mr. Kirby charged that Mr. Russeau changed the grade of a star football player at Carter High so he could play under the "no-pass, no-play" rule. The commissioner then declared the player ineligible, and school officials went to court to overturn the decision. A state district judge ruled in favor of the district last summer. *(See Education Week, Aug. 2, 1989.)*

Marvin Edwards, the district superintendent, said Mr. Russeau's transfer was unrelated to the controversy.

PEOPLE

■ **Harley Clark, the Texas district judge** who in 1987 **struck down the state's school-finance system as unconstitutional, will** step down **from the bench Dec. 1.**

Judge Clark, **whose decision was upheld** last month by a **unanimous Texas Supreme** Court, will join a **Houston law firm. Gov.** William P. **Clements will appoint a successor** to complete **Mr. Clark's term, which expires** in 1991.

It will be up to Mr. Clark's successor to approve or reject whatever solution the legislature proposes to the school-finance problem. The legislature is scheduled to meet in special session next spring to deal with the issue.

Judge Clark is also renowned for his influence on the state's system of higher education: In his college days at the University of Texas, he originated the "Hook 'em Horns" hand gesture, which has become a tradition at sporting events featuring the university's Longhorn athletic teams.